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OCT 16 1953

MEMORANDUM FOR: Deputy Director of Central Intelligence
SUBJECT: Authorization of Foreign Intelligence Projects
REFERENCE: Memorandum to DCI from A/DIA dated 19 September 1953,
 same subject

1. I find I cannot agree with the recommendations contained in reference as the most desirable method to deal with the problem.

2. Purely from the standpoint of financial management it is no doubt desirable that use be made of some arbitrary figure as a peg upon which to fix responsibility. I think you will agree, however, that this method does not lend itself to the management of intelligence operations. Our basic and primary concern in the handling of PI projects is to make sure that they are initiated in accordance with approved country plans, based on accepted requirements, are operationally feasible and desirable from the policy standpoint. Cost, while important, is in almost all cases a secondary point and is adequately controlled by the project procedure. In this connection I might point out that the PI budget has never been exceeded, nor has continuous, close scrutiny of project expenditures at any time revealed the procedure so loose that amounts have been spent without regard to the need for economy.

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3. In summation, it is my opinion that our interests are not best served by attempting to substitute arbitrary financial figures for reliance upon the informed judgment and proper discharge of responsibility by qualified officers fully responsive to the supervision and guidance of my office.

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5. With respect to paragraph 4 of reference it is pointed out that the PI Staff does not have all the data mentioned, whereas the budget officers in the Area Divisions do. There is nothing which stands in the way of such reporting to the Comptroller and a method therefor may be easily established.

Recommendation:

6. It is recommended that the Director sign the memorandum prepared for his signature by the Inspector General, which is attached as Tab C. The only change made in the original memorandum of the Inspector General has been to substitute the words "during any one calendar year" for the words "during any one fiscal year." The change to a calendar year basis is in accord with the project procedure which establishes a calendar rather than fiscal year period.

(Signed) FRANK G. WISNER

Frank G. Wisner
Deputy Director, Plans

cc: IO
OGC
Comptroller
A/DIA
DOP/ADMIN

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